

BANK INDONESIA REGULATION  
Number: 8/1/PBI/2006  
CONCERNING  
THE EMERGENCY FINANCING FACILITY

THE GOVERNOR OF BANK INDONESIA,

- Considering:
- a. whereas in the course of their business, bank may experience liquidity difficulties to the extent of endangering its survival and generating systemic impact that could potentially cause a crisis endangering financial system stability;
  - b. whereas pursuant to Act Number 23 of 1999 concerning Bank Indonesia as amended by Act Number 3 of 2004, to resolve liquidity difficulties with systemic impact, Bank Indonesia in its capacity as lender of the last resort may provide the emergency financing facility to Commercial Banks, in which funding is provided at the expense of the Government;
  - c. whereas pursuant to Act Number 23 of 1999 concerning Bank Indonesia as amended by Act Number 3 of 2004, a Memorandum of Understanding was signed by the Minister of Finance and the Governor of Bank Indonesia on March 17, 2004, concerning the regulatory provisions and decision making procedure in regard to financial difficulties of banks with systemic impact, provision of the emergency financing facility, and funding from the State Budget;

d. now ...

- d. now therefore, based on the considerations in letter a, letter b, and letter c, it is deemed necessary to formulate regulatory provisions concerning the emergency financing facility for Commercial Banks in a Bank Indonesia Regulation;

In view of:

1. Act Number 23 of 1999 concerning Bank Indonesia (State Gazette of the Republic of Indonesia Number 66 of 1999, Supplement to the State Gazette of the Republic of Indonesia Number 3843) as amended by Act Number 3 of 2004 (State Gazette of the Republic of Indonesia Number 7 of 2004, Supplement to the State Gazette of the Republic of Indonesia Number 4357);
2. Act Number 7 of 1992 concerning Banking (State Gazette of the Republic of Indonesia Number 31 of 1992, Supplement to the State Gazette of the Republic of Indonesia Number 3472) as amended by Act Number 10 of 1998 (State Gazette of the Republic of Indonesia Number 182 of 1998, Supplement to the State Gazette of the Republic of Indonesia Number 3790);
3. Act Number 24 of 2002 concerning Government Securities (State Gazette of the Republic of Indonesia Number 110 of 2002, Supplement to the State Gazette of the Republic of Indonesia Number 4236);
4. Act Number 17 of 2003 concerning State Finances (State Gazette of the Republic of Indonesia Number 47 of 2003, Supplement to the State Gazette of the Republic of Indonesia Number 4286);

5. Act Number 1 of 2004 concerning the State Treasury (State Gazette of the Republic of Indonesia Number 5 of 2004, Supplement to the State Gazette of the Republic of Indonesia Number 4355);

HAS DECREED:

To enact:           THE BANK INDONESIA REGULATION CONCERNING  
THE EMERGENCY FINANCING FACILITY.

## CHAPTER I GENERAL PROVISIONS

### Article 1

The terminology used in this Bank Indonesia Regulation has the following meanings:

1. “Bank” is a Commercial Bank as defined in Act Number 7 of 1992 concerning Banking as amended by Act Number 10 of 1998.
2. “Problem Bank” is a Bank experiencing financial difficulties in the form of liquidity difficulty and/or solvency difficulty to the extent of endangering its survival.
3. “Liquidity Difficulty” is short-term funding difficulty experienced by a Bank as a result of mismatch between cash inflows and cash outflows deemed likely to result in a negative demand deposit balance.
4. “Solvency Difficulty” is difficulty experienced by the Bank to the extent that it fails to meet the Minimum Capital Adequacy Requirement (CAR) stipulated in this Bank Indonesia Regulation.

5. Systemic Impact is having the potential for contagion effect from one Problem Bank that could result in liquidity difficulty for other banks and thus potentially trigger loss of confidence in the banking system and have negative impact on financial system stability.
6. “Emergency Financing Facility”, hereinafter referred to as EFF, is a financing facility extended by Bank Indonesia to a Problem Bank experiencing Liquidity Difficulty, but still complying with the level of solvency prescribed by Bank Indonesia, and has systemic impact, and the extension of the facility is based on a joint decision in a meeting between the Minister of Finance and Bank Indonesia and is funded at the expense of the Government.
7. “Government Securities”, hereinafter referred to as GS, are securities in the form of debt instruments denominated in the Rupiah currency, in which payment of interest and redemption are guaranteed by the Republic of Indonesia according to their term of maturity as referred to in Act Number 24 of 2002 concerning Government Securities.

## Article 2

- (1) Bank is required to conduct its business according to the guidelines of the applicable prudential principles, including with regard to maintenance of adequate liquidity.
- (2) A Bank experiencing Liquidity Difficulty is required to seek funding to resolve the Liquidity Difficulty.

### Article 3

- (1) A Bank unable to raise funding to resolve Liquidity Difficulty as referred to in Article 2 paragraph (2) may apply for an EFF from Bank Indonesia if it meets the requirements prescribed in this Bank Indonesia Regulation.
- (2) The requirements for provision of EFF as referred to in paragraph (1) cover the following:
  - a) the Bank is experiencing Liquidity Difficulty;
  - b) the Bank has a systemic impact;
  - c) the capital adequacy ratio (CAR) of the Bank is at least 5% (five percent); and
  - d) guaranteed by collateral.

### Article 4

EFF as referred to in Article 3 paragraph (1) shall not be extended to any overseas branch office of the Bank concerned.

## CHAPTER II

### FUNDING FOR THE EFF

#### Article 5

- (1) Funding for an EFF shall be taken from the State Budget.
- (2) For funding as referred to in paragraph (1), if the condition of the State Budget presents difficulties, the Minister of Finance may issue GS in accordance with the applicable regulatory provisions.
- (3) The GS issued for provision of the EFF shall comprise negotiable GS.

(4) Under ...

- (4) Under certain conditions, the Minister of Finance may decide to defer trading in GS as referred to in paragraph (2) for a defined period, based on a joint decision in a meeting between the Minister of Finance and the Governor of Bank Indonesia.

#### Article 6

- (1) For the purpose of extending the EFF, the Minister of Finance shall open a special demand deposit account at Bank Indonesia.
- (2) The special demand deposit account referred to in paragraph (1) may be used only for extending the EFF.
- (3) The Minister of Finance shall issue a power-of-attorney for Bank Indonesia to perform the debiting of the special demand deposit account referred to in paragraph (1).

### CHAPTER III

#### APPLICATION AND DECISION TO EXTEND THE EFF

#### Article 7

Application for EFF as referred to in Article 3 paragraph (1) shall enclose the following required documents:

- a. Statement from the Bank Management that the Bank has sought funding as referred to in Article 2 paragraph (2) prior to applying for the EFF, affixed with revenue stamp according to the applicable regulatory provisions;
- b. Supporting documents for the amount of EFF required;
- c. Notary deed for guarantee of debt setting forth the list of assets to be secured as collateral and preliminary assessed value and attaching original ownership

documents ...

documents, to be accompanied by mortgage assignment, pledge, or fiduciary guarantee;

- d. Written Undertaking from the Controlling Shareholder and/or Bank Management for transfer of additional assets to be secured as collateral, if the assets referred to in letter c are inadequate, affixed with revenue stamp in accordance with the applicable regulatory provisions;
- e. Written Undertaking for issuance of a Personal Guarantee and/or Corporate Guarantee from the Controlling Shareholder and/or Bank Management, drawn up before a notary public, and enclosing the list of assets;
- f. Written Undertaking from the Controlling Shareholder and Bank Management for repayment of the EFF, affixed with revenue stamp in accordance with the applicable regulatory provisions;
- g. Statement affirming the willingness of the Controlling Shareholder and Bank Management to perform and/or not perform actions ordered by Bank Indonesia, affixed with revenue stamp according to the applicable regulatory provisions; and
- h. Written Undertaking by the Controlling Shareholder and Bank Management, stating that the assets to be secured as collateral as referred to in letter c, letter d, and letter e are free of encumbrances, not secured to any other party, and not involved in any legal case or dispute.

## Article 8

- (1) If Bank Indonesia indicates that the Bank applying for EFF as referred to in Article 3 paragraph (1) has systemic impact, the Governor of Bank Indonesia shall immediately request the Minister of Finance to convene a meeting.

(2) Indication ...

- (2) Indication of Bank which has systemic impact as referred to in paragraph (1) shall be based, among others, on the analysis of Bank Indonesia of the financial condition of the Bank and its impact on the banking system.

#### Article 9

The Meeting of the Minister of Finance with the Governor of Bank Indonesia referred to in Article 8 paragraph (1) shall discuss the financial problems and prospects of the Bank and determine the necessary measures for resolution.

#### Article 10

- (1) If the meeting referred to in Article 9 decides to extend the EFF to the Bank, the scope of decision shall include at least the following:
- a. designation of the Bank as systemically important;
  - b. decision to extend the EFF;
  - c. ceiling of the EFF;
  - d. term of the EFF;
  - e. list of assets to be secured as collateral for the EFF, including provisional value based on assessment by bank; and
  - f. steps to be taken with the Bank receiving the EFF.
- (2) If the meeting of the Minister of Finance with the Governor of Bank Indonesia decides that the Bank shall not be extended the EFF, the subsequent handling of the Bank shall operate in accordance with the applicable laws and regulations.



#### Article 11

- (1) The ceiling of the EFF as referred to in Article 10 paragraph (1) letter c shall be determined on the basis of Bank Indonesia estimates, which among others shall be based on data provided by the Bank.
- (2) The term of the EFF as referred to in Article 10 paragraph (1) letter d shall be fixed at no more than 90 (ninety) calendar days and shall be extendable only 1 (one) time for a period of no more than 90 (ninety) calendar days.

### CHAPTER IV

#### EFF COLLATERAL

#### Article 12

- (1) Assets that a Bank may secure as collateral are the available assets of the Bank with priority on the most liquid, high quality assets, and these assets may be supplemented by other assets, including but not limited to assets of the controlling shareholder and/or registered shares from the controlling shareholder of the bank.
- (2) Collateral as referred to in paragraph (1) must be supplemented by a Personal Guarantee from the controlling shareholder and/or Corporate Guarantee from the company owned by the controlling shareholder, enclosing a list of assets other than the assets referred to in paragraph (1).
- (3) The Personal Guarantee and/or Corporate Guarantee as referred to in paragraph (2) shall be notarized and must be submitted to Bank Indonesia no later than the signing of the EFF.

### Article 13

- (1) Assets secured as collateral by the Bank as referred to in Article 12 paragraph (1) and paragraph (2) must be free of encumbrances, not secured to any other party, and not involved in any legal case or dispute.
- (2) Assets secured as collateral by the Bank may not be transferred, sold and purchased, or secured as collateral in any subsequent pledge by the Bank.
- (3) The Bank shall replace any collateral for the EFF that fails to satisfy the conditions stipulated in paragraph (1) and paragraph (2).
- (4) If the Bank does not replace collateral as referred to in paragraph (1), then pursuant to this regulation, Bank Indonesia may request the Minister of Finance to convene a meeting with the Governor of Bank Indonesia to decide on measures for resolution.

### Article 14

- (1) Collateral as referred to in Article 12 shall be appraised by an independent appraiser appointed by the Minister of Finance on the basis of a nomination list of independent appraisers submitted by the Bank.
- (2) All costs incurred for appraisal of collateral shall be borne by the Bank.

### Article 15

The Minister of Finance shall determine the value of collateral based on fair market value as assessed by an independent appraiser.

#### Article 16

- (1) Binding of collateral shall be executed by Bank Indonesia on behalf of and in the name of the Minister of Finance immediately after signature of the EFF loan agreement.
- (2) Binding of collateral as referred to in paragraph (1) shall be notarized with reference to the provisional assessed value of the collateral submitted by the Bank.
- (3) The Minister of Finance shall issue a power-of-attorney to the Governor of Bank Indonesia to sign the agreement for binding of collateral as referred to in paragraph (1).
- (4) The ownership documents for collateral as referred to in paragraph (1) shall be administered by Bank Indonesia.
- (5) The Bank management and/or controlling shareholder of the Bank shall be responsible for physical maintenance of collateral secured for purposes of the EFF.

#### Article 17

If subsequent to the binding of collateral and/or appraisal of collateral by an independent appraiser it is found that the collateral value is less than the ceiling of the EFF:

- a. The Bank receiving the EFF and/or controlling shareholders shall provide additional assets to be secured as collateral; and
- b. The Governor of Bank Indonesia shall immediately request the Minister of Finance to convene a meeting to discuss the problem and determine the measures deemed necessary to achieve resolution.

## CHAPTER V

### EFF AGREEMENT AND DISBURSEMENT OF EFF

#### Article 18

- (1) The EFF loan agreement shall be notarized and signed by the Controlling Shareholder and management of the Bank receiving the EFF and by the Governor of Bank Indonesia on behalf of and in the name of the Minister of Finance.
- (2) The Minister of Finance or appointed official shall issue a power-of-attorney to the Governor of Bank Indonesia to sign the EFF loan agreement in respect of each EFF loan agreement.
- (3) The Minister of Finance or appointed official shall sign the EFF loan agreement as referred to in paragraph (2) in the capacity of party giving acknowledgement and approval.

#### Article 19

- (1) The EFF shall be disbursed immediately after signature of the EFF agreement.
- (2) Disbursement of the EFF as referred to in paragraph (1) shall be effected by debiting the Government special demand deposit account at Bank Indonesia for the EFF and crediting the demand deposit account of the Bank receiving the EFF at Bank Indonesia.
- (3) Disbursement of the EFF shall be in the amount necessary for the Bank to comply the 5% (five percent) Minimum Statutory Reserves requirement.

#### Article 20

The EFF may only be used by the Bank receiving the EFF to resolve liquidity difficulty.

#### Article 21

- (1) EFF used by the Bank receiving the EFF shall be charged interest according to the interest rate determined by the Minister of Finance and the Governor of Bank Indonesia.
- (2) The interest rate referred to in paragraph (1) shall be equal to published GS yield plus a specified margin.
- (3) The GS yield referred to in paragraph (2) shall be determined on the basis of the market price quotation on the previous working day, published by a price information media recognized by the capital market authority.
- (4) Interest as referred to in paragraph (1) shall be charged against the demand deposit account of the Bank receiving the EFF at Bank Indonesia and shall thereafter be paid to the Government by crediting the Government special demand deposit account for the EFF at Bank Indonesia.
- (5) Bank Indonesia shall calculate interest as referred to in paragraph (1) on the basis of the end-of-day balance of disbursed EFF.
- (6) Interest as referred to in paragraph (4) shall be charged at maturity or upon full repayment of the EFF.

#### Article 22

- (1) The disbursed amount of the EFF, including interest and charges, shall constitute a claim of the state on the bank receiving the EFF.

(2) Regulatory ...

- (2) Regulatory provisions and procedures pertaining to handling of state claims as referred to in paragraph (1) shall refer to the applicable laws and regulations.

#### Article 23

Signature of the EFF agreement, transfer of GS to Bank Indonesia, and disbursement of the EFF by Bank Indonesia shall take place on the same day.

### CHAPTER VI

#### EXPENSES FOR PROVISION OF EFF

#### Article 24

Expenses pertaining to:

- a. fees for appraisal of collateral conducted by an independent appraiser;
  - b. fees for notarization of the EFF agreement and binding of collateral;
  - c. fees for auction of collateral, in case of disposal; and
  - d. other expenses pertaining to the provision of the EFF;
- shall be wholly borne by the Bank receiving the EFF.

### CHAPTER VII

#### MATURITY AND REPAYMENT OF THE EFF

#### Article 25

- (1) The Bank may effect full repayment and/or partial payments on the outstanding balance of the EFF during the term of provision of the EFF.
- (2) Full repayment and/or partial payments on outstanding balance as referred to in paragraph (1) shall be effected if the balance of the rupiah demand

deposit ...

deposit account of the Bank receiving the EFF at Bank Indonesia is greater than the Minimum Statutory Reserves requirement referred to in Article 19 paragraph (3).

- (3) Full repayment and/or partial payments on outstanding balance as referred to in paragraph (2) shall be effected by debiting the rupiah demand deposit account of the Bank receiving the EFF at Bank Indonesia.

#### Article 26

- (1) Bank Indonesia shall debit the rupiah demand deposit account of the Bank receiving the EFF and credit the special Government demand deposit account at Bank Indonesia for full repayment of the EFF upon maturity of the EFF.
- (2) If the balance of the Rupiah demand deposit account of the Bank receiving the EFF at Bank Indonesia is insufficient for full repayment of the EFF upon maturity of the EFF, the Governor of Bank Indonesia shall request the Minister of Finance to convene a meeting with the Governor of Bank Indonesia to discuss the problems of the bank, including but not limited to financial condition and prospects, and decide the measures necessary to resolve these problems.
- (3) The measures for resolving the problems of the bank as referred to in paragraph (2) shall be for deciding whether or not to extend the term of the EFF.
- (4) Any extension and amendment to the EFF agreement as referred to in paragraph (3) shall comply with the provisions of Article 3 and Article 5.

#### Article 27

If the Bank receiving EFF is unable to effect full repayment of the EFF at maturity and/or the term of the EFF is not extended, the meeting of the Minister of Finance with the Governor of Bank Indonesia shall decide the actions to be taken towards the Bank receiving the EFF.

#### Article 28

- (1) If the Bank receiving the EFF is in default and measures shall be taken for disposal of collateral, the disposal of collateral shall be carried out by the Government in its capacity as creditor or by an appointed agency.
- (2) If the proceeds from disposal of collateral are less than the value of the EFF and interest liabilities payable by the Bank receiving the EFF, the Controlling Shareholder of the Bank shall bear responsibility towards the Government for the outstanding repayment of the EFF.

#### Article 29

- (1) If the disbursed value of the EFF is lower than the EFF ceiling determined in the meeting of the Minister of Finance with the Governor of Bank Indonesia, Bank Indonesia shall refund GS interest on the difference between the loan ceiling and disbursed value of the EFF.
- (2) Interest as referred to in paragraph (1) comprises interest on GS issued for the purpose of providing the EFF.
- (3) Refund of interest as referred to in paragraph (1) shall be effected by crediting the Government special demand deposit account at Bank Indonesia opened for the EFF upon repayment of the EFF by the Bank receiving the EFF or upon maturity of the EFF.



## CHAPTER VIII SUPERVISION

### Article 30

- (1) The Bank receiving EFF shall be designated Bank Under Special Surveillance.
- (2) The supervisory actions for the Bank Under Special Surveillance as referred to in paragraph (1) shall be carried out in accordance with the applicable Bank Indonesia regulatory provisions.
- (3) The status of Bank Under Special Surveillance as referred to in paragraph (1) shall be lifted if the Bank receiving EFF has settled its obligations for repayment of the EFF and has satisfied requirements as stipulated in the applicable Bank Indonesia Regulation concerning The Subsequent Action for Supervision and Designation of Bank Status.

### Article 31

- (1) The Bank receiving the EFF is required to formulate an action plan for resolution of liquidity difficulty and an EFF repayment plan no later than 5 (five) working days after disbursement of the EFF.
- (2) The action plan referred to in paragraph (1) shall be submitted to Bank Indonesia with a copy to the Minister of Finance.
- (3) The Bank shall submit the action plan progress report as referred to in paragraph (2) to Bank Indonesia on a weekly basis with a copy to the Minister of Finance.
- (4) The Bank receiving the EFF shall report the condition of its liquidity to Bank Indonesia on a daily basis.

#### Article 32

- (1) The Bank receiving the EFF is prohibited from withdrawing funds from the accounts of related parties at the Bank receiving the EFF unless stipulated otherwise in a meeting of the Minister of Finance with the Governor of Bank Indonesia.
- (2) The Bank receiving the EFF is prohibited from paying out a dividend in any form whatsoever as long as obligations in respect of the EFF have not been repaid in full.
- (3) The Controlling Shareholder of the Bank receiving the EFF is prohibited from transferring ownership of his/her shares to any other party without approval from Bank Indonesia.

### CHAPTER IX

#### SUBMISSION OF APPLICATIONS AND REPORTS

#### Article 33

- (1) Application for the EFF shall be addressed to the Governor of Bank Indonesia at the address of Jalan M.H. Thamrin Number 2 Jakarta Pusat 10110, with copies to:
  - a. The Minister of Finance of the Republic of Indonesia at the address of Jalan Lapangan Banteng No. 2-4, Jakarta Pusat.
  - b. Directorate of Bank Supervision 1 and Directorate of Bank Supervision 2 at the address of Jalan M.H. Thamrin Number 2 Jakarta Pusat 10110, for a Bank having its head office in Jakarta; or

c. Directorate ...

- c. Directorate of Sharia Banking at the address of Jalan M.H. Thamrin Number 2 Jakarta Pusat 10110, for a commercial Bank conducting business based on Sharia principles, having its head office in Jakarta.
  - d. The Bank Indonesia Regional Office for a conventional commercial Bank and commercial Bank conducting business based on Sharia principles, having its head office outside the working area of the Bank Indonesia Head Office.
- (2) The Bank receiving EFF must submit the Action Plan Progress Report and Daily Liquidity Report as stipulated in this Bank Indonesia Regulation to Bank Indonesia at the addresses referred to in paragraph (1) letter b, letter c, and letter d.

## CHAPTER X

### SANCTIONS

#### Article 34

Any Bank infringing the provisions of Article 12, Article 13, Article 16 paragraph (5), Article 20, and Article 32 shall be liable to administrative sanctions comprising the dismissal of bank management and/or prohibition from participation in clearing activities.

#### Article 35

Without prejudice to the provisions referred to in Article 34, Bank Management, Controlling Shareholders, and Bank executive officers who willfully fail to carry out the actions necessary to ensure bank compliance with the provisions of this Bank Indonesia Regulation shall be liable to administrative sanctions as

stipulated ...

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stipulated in Article 52 paragraph (2) of Act Number 7 of 1992 concerning Banking as amended by Act Number 10 of 1998.

#### Article 36

This Bank Indonesia Regulation shall come into force on the date of its enactment.

Enacted in: Jakarta

Dated: January 3, 2006

THE GOVERNOR OF BANK INDONESIA,

BURHANUDDIN ABDULLAH

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 1 OF 2006

DPNP

ELUCIDATION  
TO  
BANK INDONESIA REGULATION  
Number: 8/1/PBI/2006  
CONCERNING  
THE EMERGENCY FINANCING FACILITY

GENERAL REVIEW

In the course its business, Banks face various risks that include liquidity risk. Liquidity risk is the short-term funding difficulty that arises from mismatch between cash inflows and cash outflows. This condition can lead to a negative balance in the demand deposit account of the Bank at Bank Indonesia. If not quickly resolved, liquidity difficulties may lead to bigger problems, and may even lead to liquidity difficulty for other banks.

To resolve liquidity difficulty, the Bank must first raise funds on the money market, using the various available money market instruments. If the Bank fails to raise funds on the money market, Bank Indonesia in its capacity as lender of the last resort may provide a loan to the Bank to resolve the short-term funding difficulty.

Lender of the last resort policy is part of the financial safety nets essential to financial system stability. The comprehensive framework for the financial safety nets clearly prescribes the roles of each agency and the coordination mechanisms employed in the prevention and resolution of crisis. It is essential that financial system stability is maintained to support the monetary stability that provides the basis for sustainable economic growth.

Lender ...

Lender of the last resort facilities extended by the central bank to banks, whether under normal situations or to deal with crisis, can generally be categorized as follows:

- (i) The Short-Term Funding Facility (FPJP), whether extended to Banks experiencing liquidity difficulties at end of day (overnight) or to Banks unable to settle the Intraday Liquidity Facility (FLI) at end of day. Provision of FPJP must be backed by liquid, high value collateral provided by the Bank to Bank Indonesia.
- (ii) The Emergency Financing Facility (EFF) for a Problem Bank that is experiencing liquidity difficulty and has systemic impact, but still complying with the level of solvency prescribed by Bank Indonesia, in which extension of the facility is based on a decision in a meeting between the Minister of Finance and Bank Indonesia and is funded at the expense of the Government.

The FPJP is a facility provided by Bank Indonesia to resolve liquidity difficulty under normal conditions, while the EFF is a facility for addressing systemic impact or risk in an emergency in order to prevent and resolve a crisis. Therefore, funding for the EFF is charged to the State Budget through issuance of Government Securities.

To provide assurance of accountability and transparency, the decision making process in determining systemic impact or systemic risk and to extend the EFF to a Bank operates by means of a joint decision by the Minister of Finance and the Governor of Bank Indonesia. The decision to extend the EFF shall be based on assessment of the potential for systemic risk for financial system stability and the negative impact on the economy if the EFF is not extended to the Bank.

ARTICLE ...

## ARTICLE BY ARTICLE

### Article 1

Number 1 through number 7.

Self-explanatory.

### Article 2

Paragraph (1)

Self-explanatory.

Paragraph (2)

“Funding” is defined as Interbank Borrowings, the Intraday Liquidity Facility (FLI), and the Short-Term Funding Facility (FPJP).

### Article 3

Paragraph (1)

Self-explanatory.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

Systemic impact or systemic risk is assessed from two key aspects: the contagion effect and degree of loss that would arise. Factors taken into account in determining systemic impact are:

a. Internal factors, namely liquidity difficulty faced by one or more banks which have (with) systemic impact; and/or

b. External...

- b. External factors such as disruption in a systemically important payment system, currency crisis, and/or natural disaster disrupting financial system stability.

Letter c

Self-explanatory.

Letter d

Bank collateral shall consist of bank assets with priority on the most liquid, high quality assets available, to which may be added other assets, including but not limited to assets of the controlling shareholder of the Bank and/or registered shares from the controlling shareholder of the Bank in accordance with the decision to extend the EFF.

#### Article 4

Self-explanatory.

#### Article 5

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Certain conditions are conditions in which sale of GS by Bank Indonesia is seen likely to destabilize the GS market and the GS issuance program operated by the Minister.



## Article 6

### Paragraph (1)

Self-explanatory.

### Paragraph (2)

Self-explanatory.

### Paragraph (3)

Self-explanatory.

## Article 7

### Letter a

Self-explanatory.

### Letter b

The documents required to support the amount needed in EFF include, but are not limited to, estimated liquidity needs, cash flow projection, latest financial statement (balance sheet and profit and loss statement), and maturity profile for the latest 1 (one) month.

### Letter c

The list of Bank assets to be secured as collateral and the accompanying original ownership documents must enclose the provisional assessed value. In the example of land assets, value must be based on the price in the Taxable Sale Value (NJOP), and for securities, value must be based on market value one working day previously.

### Letter d through letter h

Self-explanatory.

Article 8

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Article 9

Self-explanatory.

Article 10

Paragraph (1)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Assessed value for land and buildings shall be based on Taxable Sale Value (NJOP) and for securities shall be based on market value one working day previously.

Letter f

Self-explanatory.

Paragraph (2)

Self-explanatory.

## Article 11

### Paragraph (1)

Self-explanatory.

### Paragraph (2)

Self-explanatory.

## Article 12

### Paragraph (1)

“Bank assets” are defined as the fixed assets of the Bank, securities (stocks, bonds, and other securities), and claims on other Banks.

Securities secured as collateral may not have their origin in securities issued by related parties to the Bank or any parties exercising control over the Bank.

### Paragraph (2)

The list of assets attached to the Personal Guarantee and/or Corporate Guarantee shall include, but not be limited to, assets to be acquired at a future date and/or assets that at the time of concluding the EFF agreement are not secured as collateral because of legal possession by another party.

### Paragraph (3)

Self-explanatory.

## Article 13

### Paragraph (1)

Transfer of assets secured as collateral for the EFF must be accompanied by a statement from the Bank or Controlling

Shareholder of the Bank on the condition and status of each asset to be secured as collateral.

The scope of assets not secured to any other party extends to pledge, fiduciary transfer, or mortgage.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

#### Article 14

Paragraph (1)

“Independent appraiser” is defined as an appraisal company that:

- a. has no ownership, management, or financial ties with the Bank;
- b. conducts appraisal on the basis of the Code of Ethics for Appraisers in Indonesia and other regulatory provisions stipulated by the Indonesian Appraisers Council; and
- c. holds an operating license from the competent authority to operate as an appraisal company.

Paragraph (2)

Self-explanatory.

#### Article 15

Self-explanatory.

Article 16

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Article 17

Self-explanatory.

Article 18

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 19

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 20

Self-explanatory.

Article 21

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Article 22

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Article 23 ...

Article 23

Self-explanatory.

Article 24

Self-explanatory.

Article 25

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 26

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5) ...

Paragraph (5)

Self-explanatory.

Article 27

Self-explanatory.

Article 28

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Article 29

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 30

Paragraph (1)

Self-explanatory.



Paragraph (2)

“Applicable Bank Indonesia Regulation” is defined as including, but not limited to, the Bank Indonesia Regulation governing the subsequent actions for supervision and designation of Bank status.

Paragraph (3)

Self-explanatory.

Article 31

Paragraph (1)

The action plan shall state at least the actions to be taken by the Bank receiving the EFF to resolve the liquidity difficulties and the plan for repayment of the EFF.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Article 32

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 33

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Article 34

Self-explanatory.

Article 35

“Bank executive officer” is defined as an officer exercising influence over the operational policies of the Bank and directly responsible to the Board of Directors.

Article 36

Self-explanatory.

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF  
INDONESIA NUMBER 4595

DPNP